

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

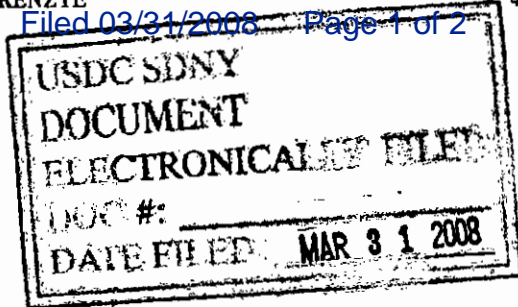
Michael Z. Matthew,

Petitioner

v.

Papua New Guinea,

Respondent.



Case No. 07 Civ 8705 (LTS)(MHD)

STIPULATION AND ~~PROPOSED~~ ORDER

Petitioner Michael Z. Matthew ("Matthew") and Respondent Papua New Guinea ("PNG")(together the "Parties") hereby stipulate as follows:

1. "Arbitration" as used herein refers to the arbitration currently pending before the International Centre for Dispute Resolution of the American Arbitration Association ("ICDR") as Case No. 50 145 T 00332 06; Michael Z. Matthew v. Papua New Guinea before arbitrator Philip D. O'Neill, Jr.

2. "Mandate" as used herein refers to the letter titled "MANDATE TO BE THE PAPUA NEW GUINEA GOVERNMENT'S SOLE AND EXCLUSIVE REPRESENTATIVE IN NORTH AMERICA" dated 1 January 2004, and the earlier purported mandates dated 11 November 2002 and 1 April 2003 referenced in the 1 January 2004 purported mandate.

3. The Parties stipulate that all disputes arising out of or relating to the Mandate, including without limitation the validity and enforceability of the Mandate, shall be resolved in the Arbitration and expressly submit to the jurisdiction of the ICDR for the resolution of all disputes arising out of or relating to the Mandate.

4. No order of the Supreme Court of the State of New York, County of New York in Index. No. 107131/06, shall have any force and effect in the Arbitration, and

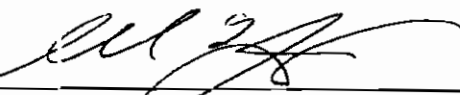
none shall not be considered as evidence of any matter in dispute between the Parties, including without limitation the validity and enforceability of the Mandate.


5. The Parties stipulate to a stay of the instant action pending in the United States District Court for the Southern District of New York as Case No. 07 Civ 8705 (LTS)(MHD) without prejudice to the filing of any application authorized under the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*, and other applicable law.

Dated: March 25, 2008

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Attorneys for Claimant
Michael Z. Matthew

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Papua New Guinea

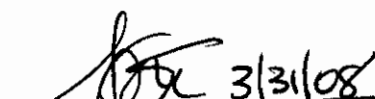
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~~SO ORDERED:~~

This matter is hereby placed on the court's suspense calendar. As of January 1, 2009 and each July 1 and January 1 thereafter, the parties shall file a written status report with the court regarding the arbitration. The report shall also indicate whether this matter ought to be continued on the suspense calendar, restored to the active docket, or dismissed.

SO ORDERED.

 3/31/08
LAURA TAYLOR SWAIN
UNITED STATES DISTRICT JUDGE